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Uzbekistan, Republic of

Cotton and Products

Cotton update

2008

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Report Highlights:

Estimates of Uzbekistan's MY2007/08 cotton production remain unchanged at 5.5 million bales. Forrecast MY 2007/08 exports have been raised to 4.58 million bales.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Unscheduled Report
Ankara [TU1]
[UZ]

Summary

Post's forecast of Uzbekistan's MY 2007/08 (August-July) cotton planted area and production remains unchanged at 1.43 million ha and 5.5 million (480 lb) bales respectively. The export forecast has been increased slightly from 4.5 million to 4.58 million bales. Uzbekistan's textile industry actively struggles to remain competitive in world markets.

Table 1: Cotton Production, Supply and Demand

Uzbekistan, Republic of Cotton (HECTARES)1000 480 lb. Bales(PERCENT)(KG/HA)									
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		08/2005	08/2005		08/2006	08/2006		08/2007	08/2007
Area Planted	0	0	0	0	1391	0	0	0	1430
Area Harvested	1432	1432	1432	1430	1430	1430	1450	1430	1430
Beginning Stocks	1298	1298	1298	1248	1248	1248	1198	1198	1198
Production	5550	5550	5550	5350	5467	5350	5500	5500	5500
Imports	0	0	0	0	0	0	0	0	0
MY Import fm U.S.	0	0	0	0	0	0	0	0	0
Total Supply	6848	6848	6848	6598	6715	6598	6698	6698	6698
Exports	4800	4800	4800	4500	4500	4500	4500	4500	4580
Use	800	800	800	900	900	900	1000	1000	920
Loss	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	800	800	800	900	900	900	1000	1000	920
Ending Stocks	1248	1248	1248	1198	1315	1198	1198	1198	1198
Total Distribution	6848	6848	6848	6598	6715	6598	6698	6698	6698
Stock to Use %	22.28571	22.28571	22.28571	22.18519	24.35185	22.18519	21.78182	21.78182	21.78182
Yield	844	844	844	815	832	815	826	837	837

Production

According to official data, Uzbekistan's MY 2007/08 final seed cotton harvest is estimated at 3.73 MMT, which is 130,000 MT higher than the official state target. Favorable weather during the vegetation period and harvesting in September and October benefited crop quality and allowed farmers to exceed state targets. However, some independent analysts claim that official statistics can be overstated. As a result, based on information received from the trade and other sources, post estimates Uzbekistan's MY 07/08 seed cotton production at 3.66 MMT and lint accordingly at 1.2 MMT.

CONSUMPTION

Uzbekistan currently utilizes about 20 percent of domestic cotton production depending on crop size. Three years ago the GOU announced its goal that the domestic textile industry

process 50 percent of domestic cotton output by 2008. Although this plan turned out to be highly optimistic, based on the current pace of local textile industry development and the increasing number of new textile facilities, Post believes that domestic utilization of lint probably will increase by 3-4 percent each year.

In 2007 Uzbekistan exported textile products worth USD 400 million. According to the State Joint-Stock Company "Uzbekengilsanoat", last year 23 new textile mills started operating in the country. Most of them are joint-venture enterprises with partner companies from Germany, Italy, South Korea, Russia, India and Turkey. At present Uzbek textile companies have the annual capacity to produce 380,000 tons of cotton fiber, over 300,000 tons of yarn, 337 million meters of cotton fabric, 170 million units of knit wear and 8.0 million pairs of hosiery. According to a company press releases, in 2008 the company intends to open 20 new textile facilities with a total volume of investments worth USD 119 million.

TRADE

There are no noticeable changes in the pattern of cotton exports. The current export price of Uzbek cotton is USD 73.25 at Liverpool's index "A" quotation minus USD 70 at FOB port basis. In MY 07/08 the biggest buyers of Uzbek cotton remain trading companies from China, Singapore, Bangladesh, South Korea and Russia.

Based on the production forecast, MY 07/08 lint exports are forecast at 4.58 million bales.

STOCKS

Ending stocks numbers are estimates as there are no reliable statistics.